

# FISCAL NOTE

**Bill #:** SB0351

**Title:** Eliminate unisex insurance law

**Primary Sponsor:** Grimes, D

**Status:** As Introduced

\_\_\_\_\_  
Sponsor signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Ewer, Budget Director

\_\_\_\_\_  
Date

## Fiscal Summary

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$218,000	\$0
<b>Revenue:</b>		
State Special Revenue	\$218,000	\$0
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

#### **State Auditor's Office (SAO)**

1. This bill would allow property and casualty insurers and life and disability insurers to utilize gender in rating.
2. In order to reflect the changes in insurance premiums due to this bill, it is estimated that there could be an additional 100 property and casualty rate filings and 72 credit life and disability rate filings in FY 2006.
3. The SAO will contract with outside actuaries to complete the additional rate filings.
4. The SAO has received two estimates from outside actuaries for the property and casualty rate filings review. One actuarial company submitted an estimate with a range of \$116,000 to \$174,000 and another actuarial company submitted an estimate with a range of \$50,000 to \$100,000. SAO will use a middle estimate of \$110,000.
5. The additional credit life and disability rate filings would cost an estimated \$36,000 from an outside actuary.
6. The SAO estimates that there could be 7,200 additional form filings for life and disability insurance products. It is estimated that the review of each filing would cost an estimated \$10 per filing.
7. The fiscal impact of this bill will be funded with State Special Revenue and will have a direct impact upon fees paid by the insurance industry.

**Fiscal Note Request SB0351, As Introduced**  
(continued)

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$218,000	\$0
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$218,000	\$0
<u>Revenues:</u>		
State Special Revenue (02)	\$218,000	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$0	\$0